

STORMWATER LOCAL ASSISTANCE FUND PROGRAM GUIDELINES

September 30, 2013

STORMWATER LOCAL ASSISTANCE FUND - ENABLING LEGISLATION

In order to reduce non-point source pollution from stormwater runoff, the Virginia General Assembly included Item 360 in Chapter 860 of the Acts of Assembly (the Commonwealth's 2013-2014 Budget) which created and set forth specific parameters for the administration of the Stormwater Local Assistance Fund (SLAF). With the consolidation of water quality programs with the State Water Control Board (SWCB) through HB 2048 (2013) and SB 1279 (2013), administration of the SLAF resides with the SWCB and the Department of Environmental Quality (DEQ).

The following is the text of Item 360:

N.1. There is hereby established in the state treasury a special nonreverting fund to be known as the Stormwater Local Assistance Fund, hereby referred to as the "Fund." The Fund shall be established on the books of the State Comptroller and shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 of this act, sums appropriated to it by the General Assembly and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

2. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet: i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements; ii) requirements for local impaired stream TMDLs; iii) water quality requirements of the Chesapeake Bay Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.

3. The Virginia Soil and Water Conservation Board shall issue guidelines for the distribution of moneys from the Fund. The process for development of guidelines shall, at a minimum, include (a) a 60-day public comment period on the draft guidelines; (b) written responses to all comments received; and (c) notice of the availability of draft guidelines and final guidelines to all who request such notice.

O. The grants shall be used solely for capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the Virginia Soil and Water Conservation Board under the authority of the Department of Conservation and Recreation.

DEQ's Clean Water Financing and Assistance Program, on behalf of the SWCB, has developed these guidelines and will administer the Stormwater Local Assistance Fund (SLAF). These Guidelines and the grant agreements awarding funds from the SLAF are supplemental to the State Water Control Law, Chapter 3.1, Title 62.1 of the Code of Virginia (1950), as amended, and do not limit in any way the other water quality restoration, protection and enhancement, or enforcement authority of the State Water Control Board, the Department of Environmental Quality (DEQ), or the Director of DEQ.

FUNDING AVAILABILITY

From the appropriation and bond authorization provided in Item 360 of the Commonwealth's 2013-2014 Budget, up to \$35,000,000 of the bond proceeds shall be provided to the SLAF. The bond proceeds, along with any interest earnings thereon, must be used to provide matching grants from the Fund for stormwater best management practices. Additional funds may be appropriated in future fiscal years. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

GRANT APPLICATION/AWARD PROCESS

Applications for SLAF grants will be solicited once each year that a state appropriation is provided. The completed application form and all necessary support documentation should be mailed to:

**Clean Water Financing and Assistance Program
Department of Environmental Quality
629 East Main Street
P.O. Box 1105
Richmond, Virginia 23218**

Applications will be reviewed and ranked in accordance with the priority ranking criteria provided in these guidelines. Based on that ranking process, the DEQ Director will authorize a project funding list. The authorized funding list (including recipient name, grant amount, and priority point totals) will be posted on the DEQ website. DEQ will then issue Letters of Commitment to all recipients on the authorized project funding list so that they may proceed with their projects with the certainty of a funding commitment. DEQ staff will work with the authorized grant recipients as they complete the program requirements and advertise for construction bids. Upon the receipt of construction bids and the development and approval of a final project budget based on as-bid or contractual costs, the grants will be awarded individually to each recipient.

ELIGIBLE APPLICANTS

Local governments, meaning any county, city, town, municipal corporation, authority, district, commission, or political subdivision created by the General Assembly or pursuant to the Constitution or laws of the Commonwealth, are eligible to apply for cost-share from the SLAF.

ELIGIBLE PROJECTS:

Capital projects for reducing and treating stormwater runoff as identified in Attachment A.

GRANT PERCENTAGE

The Director of the Department of Environmental Quality will authorize grants in the amount of 50% of

the eligible costs of planning, design, and installation of stormwater best management practices. The recipient must be able to demonstrate the availability of the 50% local match. The Virginia Clean Water Revolving Loan Fund can be used as a source for the local match under the guidelines issued for that program.

ALLOWABLE GRANT AMOUNT

The minimum grant amount per local government is \$100,000 and the maximum grant amount per local government is \$5,000,000. This means that projects must have at least \$200,000 in eligible project costs to be considered and any project that exceeds \$10,000,000 in eligible project costs will receive no more than \$5,000,000.

GRANT ELIGIBLE EXPENSES

The SLAF program allows for any reasonable and necessary costs associated with the stormwater management project, including all associated planning, design, and construction costs. Grant proposals must be supported by a need which addresses an existing stormwater pollution problem or prevents a future environmental problem due to stormwater runoff. Grant requests received which are solely supported by the economic development needs of an area or an entity may be excluded from funding participation. DEQ may reduce grant eligibility, and/or the scope and size of a project to ensure the greatest financial and environmental benefit to as many communities as possible. Only projects which started construction on or after July 1, 2013 will be considered eligible for funding. Planning and design expenses incurred on an approved project prior to the execution of a grant agreement are eligible costs provided they are necessary and directly attributable to the project, and any services or contracts are secured in accordance with State procurement requirements.

INELIGIBLE GRANT COSTS

The following expenses cannot be included when determining the allowable amount of a SLAF grant:

1. Salaries and other expenses of municipal employees are not allowable expenses for reimbursement under the program. In addition, the cost of Force Account Labor is ineligible.
2. Administrative costs such as supplies, rent, grant administration, and/or travel.
3. Changes in the approved project scope without DEQ concurrence, change orders not attributable to the stormwater project, or involving duplication of effort or work will be disallowed construction costs. Any cost or expenditure that is determined to be unnecessary and/or unreasonable will be disallowed.
4. Costs to operate or maintain the project.
5. Any interest costs associated with funds borrowed for the planning, design, or construction of the project.

REIMBURSEMENT

Disbursement of grant funds will be made on a periodic reimbursement basis. Invoices must be submitted which fully substantiate all requests for disbursement of grant funds. All reimbursement requests must be reviewed and approved by DEQ staff prior to actual disbursement of funds. An original signed reimbursement request must be submitted to DEQ's Clean Water Financing and Assistance Program and one copy submitted to the appropriate DEQ regional office.

PROGRAM REQUIREMENTS- The following requirements are applicable to all projects funded through the Stormwater Local Assistance Fund:

1. Procurement of all funded goods/services must be made in conformance with the requirements of the Virginia Public Procurement Act, regardless of population size.
2. Stormwater best management practices (BMPs) listed on the Virginia Stormwater BMP Clearinghouse website shall be designed and constructed in accordance with all applicable standards and specifications provided by the Virginia Stormwater BMP Clearinghouse. Stormwater management facilities accepted for use by the USEPA Chesapeake Bay Program shall be designed and constructed in accordance with all applicable standards and specifications provided by the Chesapeake Bay Program. If the BMP is a retrofit that cannot fully meet the applicable design specifications, then it must meet them to the degree feasible, given space and other limitations. However, cost should not be a limiting factor.
3. Provisions for the long-term responsibility and maintenance of the stormwater management facilities and other techniques specified to manage the quantity and quality of runoff, including an inspection and maintenance schedule, shall be developed and implemented for all projects funded through the SLAF. These provisions shall include, at a minimum, a description of the requirements for maintenance of the stormwater management facilities, a recommended schedule of inspection and maintenance, and the identification of a person or persons who will be responsible for maintenance. Long-term responsibility and maintenance requirements for stormwater management facilities located on private property shall be set forth in an instrument recorded in the local land records and shall be consistent with 4VAC50-60-112 of the Virginia Stormwater Management Program (VSMP) Permit Regulations.

GRANT FUNDING PRIORITY RANKING

DEQ will prioritize applications for grant assistance on a statewide basis. Applications for stormwater projects which are expected to provide the greatest water quality benefit will be given the highest funding priority. The funding priority of applications for stormwater projects is determined by demonstration of recognizable reduction in nonpoint source pollution of Virginia waters.

HIGHEST TOTAL POSSIBLE SCORE = 550 PTS

I. POLLUTION REDUCTION (MAXIMUM 150 points)

Points will be based on the calculated reduction of total phosphorous (TP) as a result of the proposed project. The established methodology for calculating the TP reduction is outlined in Attachment A.

II. COST EFFECTIVENESS (MAXIMUM 150 points)

Points will be based on the projected cost of the project divided by the calculated amount of TP reduction.

III. IMPAIRED WATER BODIES (MAXIMUM 100 points)

Points will be based on the location and impact of the proposed project in relation to priority water bodies in the state. . **Note: These categories (a – b) are additive.**

- | | |
|--|---------|
| a. Project is directly related to the requirements of the Chesapeake Bay TMDL | 60 pts. |
| b. Project is directly related to requirements of a local impaired stream TMDL | 40 pts. |
| or | |
| Project is directly related to a local impaired stream without a TMDL | 20 pts. |

IV. FISCAL STRESS-(COLG Composite Stress Index) (MAXIMUM 75 points)

50 of the points for county and city applicants will be based on the latest available Commission on Local Government composite fiscal stress index. Town applicants will be assigned the points of the surrounding county. Any applicant with a project serving more than one jurisdiction (such as public service authorities or towns located in two counties) will be assigned a weighted average from the component scores. An additional 25 points will be awarded to applicants that have established a dedicated local funding/revenue mechanism for stormwater capital projects

V. READINESS TO PROCEED (MAXIMUM 50 points)

Because it is important that grant recipients proceed quickly with their proposed projects, applicants that can proceed immediately with their proposed projects, or demonstrate an advanced state of readiness, will be given the highest points under this category.

Design has been submitted, reviewed, and approved	40 pts.
Design submitted / under review	35 pts.
Reasonable assurance design will be completed / submitted within 4 months	30 pts.
Project identified in current year Capital Improvement Plan or annual budget	20 pts.
Project included in Stormwater or Watershed Management Plan	10 pts.

Additional 10 points will be awarded if land necessary for the project has already been acquired.

VI. PHASE II (SMALL) MS4 (MAXIMUM 25points)

Applicants that are regulated under the General Permit for the Discharge of Stormwater from Small Municipal Separate Storm Sewer Systems will receive 25 points.

Attachment A

METHODOLOGY FOR CALCULATING TOTAL PHOSPHORUS REDUCTION

For the purpose of determining pollution reduction rankings, applicants shall submit expected reductions of Total Phosphorus (TP) only. TP is the representative pollutant for stormwater in the Commonwealth and serves as a surrogate for other pollutants of concern. This shall be calculated as follows:

1. Initial TP loads for the site shall be calculated on the Site Data tab of the Virginia Runoff Reduction Method Spreadsheet (compliance calculator). Once the land cover data for the site is entered into the appropriate spreadsheet cells, the spreadsheet automatically and instantly makes a series of calculations and displays the total TP load for the site at the bottom of the page, in cell B-51. Instructions for using the Spreadsheet can be found in Chapter 12 of the *Virginia Stormwater Management Handbook* (2nd Edition, 2013).
2. TP load reductions (in pounds) shall be determined using the applicable one of the following methods, as specified:
 - a. If the BMP being installed is on the Attachment A list of BMPs (the most recent version is attached and also posted on the Virginia Stormwater BMP Clearinghouse website as well as other BMPs currently accepted by the USEPA Chesapeake Bay Program), then the TP load reduction shall be calculated using the TP removal efficiency assigned to the selected BMP in the table.
 - b. If the BMP being installed or remediated is *not* listed in Attachment A or if a retrofit cannot fully meet the design specifications for either an Attachment A BMP or a Bay Program BMP, then the TP load reduction shall be determined using performance curves developed in either of the following Expert Panel reports, as applicable after estimating the initial TP loadings as directed in paragraph 2-a above:
 - *Recommendations of the Expert Panel to Define Removal Rates for New State Stormwater Performance Standards*, October 2012, on the Chesapeake Bay Program website at: <http://chesapeakestormwater.net/bay-stormwater/baywide-stormwater-policy/urban-stormwater-workgroup/performance-standards/> (applies to new development and redevelopment project BMPs).
 - *Recommendations of the Expert Panel to Define Removal Rates for Urban Stormwater Retrofit Projects*, October 2012, on the Chesapeake Bay Program website at: <http://chesapeakestormwater.net/bay-stormwater/baywide-stormwater-policy/urban-stormwater-workgroup/retrofits/> (applies to retrofit BMPs and remediated BMPs).
 - c. If the BMP constitutes a land use change (e.g., planting trees where impervious surface once existed, etc.), then the TP load reduction shall be calculated using the Site Data tab of the Virginia Runoff Reduction Method Spreadsheet (compliance calculator). The initial TP load calculated using this tab of the Spreadsheet shall be compared to the TP load calculated after reflecting the changes in the land cover cells (i.e., more forest cover, which uses a much lower runoff coefficient, thus generating a lower runoff volume and TP load).
 - d. If the selected BMP is *Urban Stream Restoration*, the TP load reduction will be determined by using the appropriate methodology specified in the USEPA Chesapeake Bay Program guidance document entitled *Recommendations of the Expert Panel to Define Removal Rates for Individual Stream Restoration Projects*, May 2013, on the Chesapeake Bay Program website at: http://chesapeakestormwater.net/wp-content/uploads/downloads/2013/05/Final_CBP_Approved_Expert_Panel_Report_on_Stream_Restoration_LONG.pdf or the default value indicated on the Attachment A BMP list.
3. If an applicant proposes to remediate or upgrade an existing pond or other BMP that was in place on or before June 30, 2009 (the baseline date for the Chesapeake Bay TMDL load allocations), it should be clear that the application may score highly against other applications but only the incremental increase in pollution reduction will be eligible for scoring for this grant process and reporting to the Chesapeake Bay Program office for credit against TMDL pollutant load allocations or reduction targets. This is because BMPs in existence prior to that date have already been counted as part of the baseline condition for the TMDL.

Virginia Stormwater Clearinghouse BMPs (1 - 10)			
Practice Number	Practice		Total Phosphorus Mass Load Removal (TR, as %)
1	Vegetated Roof 1		45
	Vegetated Roof 2		60
2	Permeable Pavement 1		59
	Permeable Pavement 2		81
3	Infiltration 1		63
	Infiltration 2		93
4	Bioretention 1		55
	Bioretention 2		90
	Urban Bioretention		55
5	Dry Swale 1		52
	Dry Swale 2		76
6	Wet Swale 1		20
	Wet Swale 2		40
7	Filtering Practice 1		60
	Filtering Practice 2		65
8	Constructed Wetland 1		50
	Constructed Wetland 2		75
9	Wet Pond 1		50 (45) ³
	Wet Pond 2		75 (65) ³
10	Extended Detention Pond 1		15
	Extended Detention Pond 2		31
Chesapeake Bay Program BMPs (11 - 18)			
Practice Number	Practice		Total Phosphorus Mass Load Removal (TR, as %)
11	Impervious Urban Surface Reduction		Land Use Change ⁴
12	Forest Buffers		Land Use Change ⁴
13	Grass Buffers		Land Use Change ⁴
14	Tree Planting		Land Use Change ⁴
15	Dry Detention Ponds and Hydrodynamic Structures		10
16	Dry Extended Detention Ponds		20
17	Urban Stream Restoration		0.068 lbs./linear ft.
Chesapeake Bay Program BMPs Hydrogeomorphic Region impacted efficiencies			
Practice Number	Practice	Hydrogeomorphic Region(s)	Total Phosphorus Mass Load Removal (TR, as %)
18	Wetland Restoration	Appalachian Plateau Siliciclastic	12
	Wetland Restoration	Coastal Plain Dissected Uplands; Coastal Plain Uplands; Coastal Plain Lowlands	50
	Wetland Restoration	Blue Ridge; Mesozoic Lowlands; Piedmont Crystalline; Piedmont Carbonate; Valley and Ridge Siliciclastic; Valley and Ridge Carbonate	26

Notes 1 or 2 follow recommendations VA Stormwater BMP Clearinghouse supporting information (<http://www.vwrrc.vt.edu/swc/>)

³ Lower nutrient removal in parentheses apply to wet ponds in coastal plain terrain.

⁴ Use Runoff Reduction Methodology spreadsheet tool to estimate initial and post land use change loadings.